

CHAPTER FIVE

NETWORKS OF INFORMATION

The previous chapter emphasised that while printed information might have been abundant, its utility for the active investor was questionable. The slow speed at which newspapers were printed and circulated meant that many investors would have found it necessary to seek their information from more direct sources and the price list could offer little to the active investor who would have understood that price was meaningless unless it was considered in the context of a company's past history, current performance and prospects for the future. Consequently, to be well-informed the investor had to gain access to a complex information network, which may have included newspapers and price currents, but was also created through letters between acquaintances and business contacts, and in face-to-face meetings, most notably via conversations conducted, or overheard, in the Royal Exchange or the coffee houses of London. The aim of this chapter is to investigate how those networks operated to supply financial information to early modern investors. First, it will examine the nature of the physical space in which information circulated. The second section will investigate the extent to which full information was available to early modern investors. The final part of the chapter will concentrate on those who created networks of information and will ask how information spread from the City to all interested parties.

Exchange Alley

In 1688 Joseph de la Vega wrote that three things moved the market in Amsterdam: 'the conditions in India, European politics, and opinion on the stock exchange itself' but he cautioned, because of the gambling of speculators news was often of little value since it was

impossible to know how the market would react in any given situation.¹ Undoubtedly, de la Vega was right to assume that it was not easy to predict the impact of information upon share prices, yet there is still every reason to believe that economic and political news continued to inform the actions of Dutch investors. It is also reasonable to suppose that London's financial market was similarly responsive to news from India and the progress of the political situation in Europe. Furthermore, since the London market was far more diverse than its counterpart in Amsterdam, domestic politics and economic conditions must be thought of as equally important influences on the actions of English investors.

London's financial market was well placed to attract such information. In particular, the City benefited from England's 'exceptional political and economic centralization'.² London was the seat of political power and the connections between Westminster and Whitehall and the City were strong. Wealthy London merchants remained the key source of government funds and the Treasury was, at this time, reliant upon the innovation of private individuals in its search for funding solutions. The main moneyed companies, such as the East India Company and the Bank of England, were as much political entities as economic ones. They were dependent on government for the protection of their monopolies, and companies used lobbyists in an attempt to promote their business in Parliament and at Court. In July 1679, for example, John Verney, on behalf of the Royal African Company, spent a day at Windsor where he had 'discourse with...Sunderland and afterwards with His Majesty'.³ Even the smaller companies used lobbyists. In 1690 the White Paper Company employed William Sutton of Byfleet in Surrey as an agent to promote a petition requesting the encouragement

¹ J. de la Vega, *Confusion de Confusiones*. Portions Descriptive of the Amsterdam Stock Exchange Selected and Translated by H. Kellenbenz (Boston Mass.: Baker Library, 1957), p. 9.

² R. Porter, *London: A Social History* (London: Hamish Hamilton, 1994), p. 132.

³ Quoted in Whyman, *Sociability and Power*, p. 74.

and better establishment of white paper manufacture.⁴ Thus, close connections were built between London's political and financial centres that facilitated the flow of information.

London was also England's major port and the heart of her economy. Trade and manufacturing was concentrated in and around the capital and, as Defoe noted, the provinces were largely dependent '...upon the city of London...for the consumption of [their] produce'.⁵ Goods, services and migrants flowed into London from the provinces bringing with them fresh news and creating further networks of information.⁶ Similarly, news from abroad flowed into London through the movement of foreign merchants and overseas traders. Business correspondence and the personal letters of merchants and other individuals added to the influx of information.⁷ In the late seventeenth century it was standard practice to include relevant economic and political information, along with the prices of major commodities, in business letters. This type of information, although directed at specific individuals, would have been rapidly disseminated amongst other interested parties.

Assessing the effectiveness of such networks of information is not easy and undoubtedly experiences varied. Neal and Quinn argue that the networks established by some merchants and bankers were sufficient to allow arbitrage of exchange rate anomalies, indicating that some individuals were able to establish a highly efficient and consistent system

⁴ For his pains, if the bill was passed, Sutton was to receive four shares and be admitted as a member to the Company. M. R. Julian, 'English Economic Legislation, 1660-1714', unpublished M. Phil thesis (London School of Economics, 1979), p. 49.

⁵ Quoted in Porter, *London*, p. 133.

⁶ Wrigley estimates that perhaps one in six adults in England in the period 1650 to 1750 had experience of living in London, thus, creating powerful connections between the capital and the provinces. E. A. Wrigley, 'A Simple Model of London's Importance in Changing English Society and Economy 1650-1750' in P. Abrams and E. A. Wrigley (eds.), *Towns in Societies: Essays in Economic History and Historical Sociology* (Cambridge: Cambridge University Press, 1978), p. 221.

⁷ For further discussion of channels of information, particularly with regard to the Amsterdam market, see Smith, 'Amsterdam as an Information Exchange', pp. 990-995.

of information exchange.⁸ Nevertheless, as Samuel Jeake's brief interest in East India Company stock in mid- to late-1694 showed, it was not always so easy to find reliable information. On 27 July 1694 Jeake received notice from his correspondent Thomas Miller that 'East India stock was upon a Critical point, by reason the Dutch had 8 ships arrived; & they bought no news of 2 or 3 of ours which were expected, which if they arrived before Michaelmas, the stock would rise considerably; if not, or if they miscarried it would fall much lower...'.⁹ Further entries in Jeake's diary clearly demonstrate the rise and fall of the share price as the rumours of the ships' arrival or miscarriage were heard in London. On 20 August 1694 Jeake received a report that East India Company stock 'was fallen to 77...upon a Report that 2 ships were miscarried'.¹⁰ On 4 October he received word that there was 'a discourse on the Exchange of one East India Ship being arrived in Ireland & 3 more coming'.¹¹ Stock rose on this rumour and fell back a little when it could not be confirmed. By mid-November there was news that the ships were in Plymouth, at which East India Company stock rose to 98 but by 26 November the ships still had not arrived in London and stock retreated to 92, at which point Thomas Miller feared that the ships might have been lost and took the sensible decision to liquidate Jeake's holdings.¹²

As this example amply illustrates, nothing could be deemed certain until it could be confirmed at first hand. Indeed, de la Vega warned investors that a ship could even sink at harbour and thwart their hopes.¹³ Consequently, the more active investor would have found it

⁸ L. Neal and S. Quinn, 'Networks of information: markets and institutions in the rise of London as a financial centre 1660-1760', *Financial History Review*, 8 (2001), pp. 7-26; S. Quinn, 'Gold, silver and the Glorious Revolution: arbitrage between bills of exchange and bullion', *Economic History Review*, XLIX, (1996), pp. 473-490.

⁹ Hunter and Gregory, *Astrological Diary*, p. 244.

¹⁰ *Ibid.*

¹¹ *Ibid.*, p. 247.

¹² *Ibid.*, *passim*.

¹³ De la Vega, *Confusion*, p. 9.

necessary to maintain a physical presence in London. This was certainly possible for all investors; there were no restrictions on entering the Royal Exchange or any other parts of the City. There is even evidence to suggest that some women were able to gather information in these places. Cowan notes that Hester Pinney, a thriving businesswoman in the early eighteenth century, had few difficulties dealing with the stock-jobbers at Garraway's and Jonathan's and was able to establish and maintain contacts with the West India merchants during visits to coffee houses.¹⁴ Moreover, many women attended lottery draws and art auctions at coffee houses indicating that such places were not closed to them. However, Cowan does concede that coffeehouses were no place for a lady who wanted to preserve her respectability.¹⁵

Most participants in the financial market of the late seventeenth century lived either in or around London, and the majority of investors did travel to the City in order to complete their transactions. With regard to Bank of England stock, for example, in the period between August 1694 and December 1702, 94 per cent of sellers and 98 per cent of purchasers were present to sign the transfer books.¹⁶ Records for the other joint-stock companies are not as complete, but a similar picture is presented by the East India Company's surviving transfer books, with 98 per cent of sellers and 99 per cent of buyers being present at time of transfer.¹⁷

The main gathering place for those seeking financial information was Exchange Alley and its adjacent lanes and streets; the limits of which, according to one contemporary source,

¹⁴ B. W. Cowan, 'The Social Life of Coffee: Commercial Culture and Metropolitan Society in Early Modern England, 1600-1720', unpublished Ph.D. thesis (Princeton University, 2000), p. 389. For further details of Hester Pinney's life and business dealings see P. Sharpe, 'Dealing with love: The Ambiguous Independence of the Single Woman in Early Modern England', *Gender and History*, 11 (1999), pp. 209-232.

¹⁵ Cowan, 'Social Life of Coffee', p. 387.

¹⁶ Bank Archives, AC28/32233; AC28/1513-1522. Those who were not present to sign the transfer books appointed attorneys to act on their behalf.

¹⁷ IOR, L/AG/14/3/2-6.

were ‘easily surrounded in about a minute and a half’.¹⁸ Into this space were crammed the chief institutions of the late seventeenth century financial market, namely the Royal Exchange, Jonathan’s and Garraway’s coffee houses in Exchange Alley, the Bank of England, East India House, and Royal African House. Within these places could be found brokers, stock-jobbers and investors, professional and otherwise, all vying for information. Within the Royal Exchange and in the surrounding areas there were further coffee houses and taverns, the premises of traders, merchants and retailers, and the Post Office. Close by were the complements to the financial market – goldsmith bankers, scriveners, and attorneys. Already this area of London was beginning to have a specialist purpose that, according to Derek Keene, first displaced the trade in material goods and then drove out the residential population’.¹⁹

The Royal Exchange was the heart of this space.²⁰ For the merchant or businessman, whether resident in London or just visiting, the Royal Exchange was the place to gather information, to socialise, to make contacts and to transact business. As the author of the *Exact Dealer* stated in 1688, it was ‘the proper place of bargaining, and getting knowledge of what Commodities are bought in, and to be sold; as also the Intelligence of the Prices, and whether the Rate rises or falls’.²¹ The Royal Exchange was also the place where official information circulated. Displays of public authority took place there. Miscreant businessmen were pilloried in front of the Exchange at midday, the time at which commercial activity was at its

¹⁸ Quoted in D. Keene, ‘The Financial District of the City of London: continuity and change, 1300-1871’ in H. A. Diedricks and D. Reeder (eds.), *Cities of Finance* (Amsterdam: North Holland, 1996), p. 287.

¹⁹ Ibid., p. 288.

²⁰ For an evocative description of the Royal Exchange see Glaisyer, *Culture of Commerce*, pp. 27-68.

²¹ J. H[ill], *The Exact Dealer: Being an Useful Companion for all Traders* (London, 1688), p. 4, quoted ibid., p. 30.

height.²² Government and other notices were posted there and hung ‘as thick round the Pillars of each Walk, as Bells about the Legs of a *Morrice-Dancer*’.²³ Official announcements also echoed through the building.²⁴ In addition, the Royal Exchange was the home of the infant stock exchange. However, as noted in chapter three, the noise and the nature of the business rapidly turned it into a nuisance and the brokers removed to Exchange Alley in 1698.

The information circulating in the Royal Exchange was supplemented by that generated in the network of coffee houses and taverns located in its immediate vicinity. These public spaces were places of entertainment and refreshment but also furnished the venue for public gatherings, auctions and lottery draws, and effectively provided office space for all manner of businessmen, merchants and traders. In such places the investor could, for the price of a cup of coffee, peruse a large selection of printed material: domestic and foreign news-sheets, journals and bulletins, price currents, auction notices and advertisements.²⁵ The most important information was, however, communicated verbally. Indeed, the debate encouraged by the atmosphere of the coffee houses was an important part of the assessment of the market value. Dickson saw the constant reappraisal and reassessment of value on the floor of Jonathan’s as an essential aspect of the market and one that provided security, as government debt became a commodity that was firmly based upon public discussion and evaluation.²⁶ It may also be argued that the information to be found in these places was sometimes more useful than that available through official channels. Hence, in 1693 the Governor and

²² M. Harris, ‘Exchanging Information: Print and Business at the Royal Exchange in the Late Seventeenth Century’ in A. Saunders, (ed.), *The Royal Exchange* (London: Guardian Royal Exchange, 1997) p. 188.

²³ Ned Ward cited *ibid.*, p. 189.

²⁴ *Ibid.*

²⁵ B. Lillywhite, *London Coffeehouses: A Reference Book of Coffee Houses of the Seventeenth, Eighteenth and Nineteenth Centuries* (London: George Allen and Unwin, 1963), p. 20.

²⁶ Dickson, *Financial Revolution*, p. 515.

Committee of the Hudson's Bay Company awarded the sum of £3 to 'Mr Loyd the Coffee Man [in gratitude] for his Intelligence of the Comp^{ies} Shipp's'.²⁷

It has been suggested that coffee houses were places where new investors could learn about the market from experienced brokers and stock-jobbers. Keene notes the use of coffee houses as venues for philosophical and mechanical demonstrations, claiming this as proof of their legitimacy as places of learning and information exchange.²⁸ Carlos, Key and Dupree also identify a direct flow of information from brokers and stock-jobbers to inexperienced investors. They suggest that there was 'knowledge and ability on the one side and learning by individuals on the other'.²⁹ However, such statements should not be accepted without question. In an unregulated market the well-informed have powerful incentives to obstruct or divert information flows and contemporary commentators wrote often of the duplicitous nature of brokers and stock-jobbers, never of their altruistic tendencies.

Meetings of the shareholders of the various joint-stock companies provided more formal venues for the exchange of financial information. Such meetings were regular but, when business was proceeding well, they were not frequent. During the period under consideration, the Bank of England's Court of Proprietors met quarterly with an additional meeting for the election of directors, as did the Court of the New East India Company. The Courts of the Old East India, Royal African and Hudson's Bay Companies met annually for the election of directors and so that a statement of the company's financial condition could be presented to the shareholders. However, in all cases additional meetings were called as and when necessary, and during troubled periods in a company's existence shareholders met often. For instance, the Bank of England's shareholders met twelve times between January

²⁷ Quoted in McCusker, *European Bills of Entry*, p. 55.

²⁸ D. Keene, 'The Setting of the Royal Exchange: Continuity and Change in the Financial District of the City of London, 1300-1871' in Saunders (ed.), *Royal Exchange*, p. 260. See also D. Outram, *The Enlightenment* (Cambridge: Cambridge University Press, 1995), pp. 14-30; A. Ellis, *The Penny Universities: A History of the Coffee Houses* (London: Secker and Warburg, 1956).

²⁹ Carlos et al., 'Learning and Stock Market Institutions', p. 342.

and March 1697 to discuss the government's demands for further loans.³⁰ Similarly, the Old East India Company's General Court met seventeen times between May and July 1698 to discuss the threat posed by the New Company.³¹

It is impossible to be exact about the numbers in attendance at such meetings. The Bank did keep lists of the attendees at its General Courts in the period between 1694 and 1697 but each list usually included the names of only a certain number of shareholders and then the list was concluded with the phrase 'and others of the generality'.³² Although it is unclear how many 'others' attended, the lists do indicate that, in general, between five and fifteen per cent of those eligible to vote turned out. However, crucial meetings attracted many more people. The meeting that took place on 4 January 1697 to discuss a further loan to the government attracted more than 200 shareholders, around a quarter of those eligible to vote.³³

The Old East India Company did not keep a register of attendees at its General Courts but on several occasions at meetings regarding the New Company 'a very numerous appearance of the Generality' was recorded.³⁴ The Royal African and Hudson's Bay companies' meetings were often rather poorly attended but any threats to either company's stability or profitability could encourage a higher attendance, as could the hint of scandal. In December 1692 fifty-four individuals, about a quarter of all shareholders, attended a meeting

³⁰ Bank Archives, G7/1, passim.

³¹ IOR, B/41, passim.

³² Bank Archives, G7/1, passim.

³³ This finding is echoed by a later study of attendance at the East India Company's general courts which indicates that on average around eight to ten per cent of those entitled to attend went routinely to Court debates and about double that number attended on important occasions. H. V. Bowen, 'The "Little Parliament": the General Court of the East India Company, 1750-1784', *The Historical Journal*, 34 (1991), p. 863.

³⁴ IOR, B/41, May-Jul. 1698.

to discuss the resignation of the Royal African Company's treasurer, Robert Williamson, who had confessed to 'borrowing' the Company's money.³⁵

The presentation of information at such meetings was formalised. In some cases meetings were convened merely to confirm that the company's affairs were in good order. Often when a company was awaiting a decision from Parliament or a response to a petition, meetings were convened to notify shareholders that no new information was forthcoming. However, at such meetings proprietors were in a position to question the directors of companies and the General Courts would have provided the perfect opportunity for like-minded stockholders to meet and establish further networks of information. There is also evidence to suggest that Courts were preceded by other gatherings of shareholders. For instance, with reference to the prospect of a dividend being paid by the Bank, Samuel Jeake wrote to his wife Elizabeth in October 1697 'To morrow we have a General Court at y^e Bank & I find most of y^e members are for it...' indicating that the potential dividend had already been much discussed in the City.³⁶

It is finally worth noting that, in the cases of the trading companies, auctions of goods provided the shareholders with further opportunities for the gathering of relevant information. Indeed, the East India Company held 197 sales of goods during the period under consideration, while the General Court met on only 131 occasions.³⁷ Auctions not only allowed direct observation of the quality of the Company's wares and the prices achieved by those goods but also allowed those interested in a company's prospects to meet, and may have provided further occasions for the questioning of directors. The frequency, or infrequency, of the auctions also said much about a company's present condition and future prospects.

As the foregoing discussion suggests, although investors seem to have met and congregated in Exchange Alley and its immediate environs, there was not necessarily a

³⁵ Royal African Company General Court Minute Book, 20 Dec. 1692, NA, PRO T70/10.

³⁶ 'Samuel Jeake to Elizabeth Jeake', 21 Oct. 1697, ESRO, Jeake Papers, FRE 5315.

³⁷ IOR, B/39-B/41; B43-B/44.

centralised place where financial information could be sought and found. Similarly, there does not appear to have been one place in which a market in all joint-stock and debt products was created by open outcry. In fact there is evidence to suggest that markets existed in a variety of places: the Exchange, coffee houses, Grocers Hall - the home of the Bank of England during this period, and East India House. The East India Company was even prepared to send its transfer book to shareholders' homes, if requested. In September 1695, Mr Thorowgood of the Company took the transfer book to Mrs Boon at her home since, being 'indisposed', she could not attend at East India House. In May 1696 Mr Thorowgood took the transfer book to Wanstead for the convenience of Sir Josiah Child, and in May 1698 he was ordered to take the book to the Lord Mayor of London.³⁸ Clearly for those who were too sick or too important to face the hustle and bustle of Exchange Alley, the market would come to them.

An incident recorded in Thomas Bowrey's surviving papers as a result of a dispute over the sale of Linen Company stock gives further insight into the process of negotiating a trade. When asked to describe the events preceding the dispute Richard Sweet stated 'that on Munday morning being y^e 15th of this Inst. June Mr Henry Million, Senior, came to his house, & told him that he understood this deponent was Employed to goe to Mr Tho^s Bowrey of Wapping & treat with him about his Four shares in y^e Linen Manufacture...'.³⁹ This description highlights two points of interest. First, the negotiation of this trade clearly took place away from the main sphere of the market. The implication is that Sweet waited upon Bowrey at his home or perhaps in a coffee house in Wapping. Secondly, the agreement to trade appears to have been the result of a process of negotiation, rather than an acceptance of the price offered by a seller or market maker. Perhaps this should not be viewed as surprising; Muldrew notes that almost all transactions during the early modern period went through a

³⁸ IOR, B/41, 27 Sep. 1695; 1 May 1696; 16 May 1698.

³⁹ GLL, MS 3041/5 fo.2-3.

bargaining process before being agreed.⁴⁰ Nevertheless, it does seem unlikely that a process of negotiation was common to all share transactions during this period. The prices recorded in Charles Blunt's ledgers showed very little intraday variation implying that once a price had been set by the successful conclusion of a trade, that price provided the benchmark for further trades on that day, at least among Blunt's clients and contacts.⁴¹ Even so, it is reasonable to suggest that even for those investors located close to the centre of the City, the process of finding a market in a particular stock and agreeing upon a price at which to trade was not a straight-forward one.

It also seems probable that the provincial investor and those on the outskirts of London would only have moved into the City to conduct their business if they could not do so close to home. For the passive investor convenience was undoubtedly a greater concern than price, particularly in a market where, for long periods of time, some stocks were relatively stable. In August 1697, for instance, John Hill, a cooper from Southwark, sold £385 Bank of England stock to Edward Wade and £100 Bank stock to Thomas Sodon; both Wade and Sodon were also coopers and also from Southwark, suggesting that this deal was not agreed in Exchange Alley.⁴² Additionally, the East India Company's transfer books show a number of trades executed in 1691 in the county of Essex between John Morley, a butcher from Little Maplestead, Edward Ingram a gentleman from Halstead and John Barnard, a draper from Coggleshall.⁴³ These villages stand in relatively close proximity to one another and it is

⁴⁰ C. Muldrew, *The Economy of Obligation: The Culture of Credit and Social Relations in Early Modern England* (Basingstoke: Macmillan, 1998), p. 42.

⁴¹ See NA, PRO C114/165.

⁴² Bank Archives, AC28/1514, 10 Aug. 1697.

⁴³ IOR, L/AG/14/3/2.

probable that the counterparties knew of each other's interest in East India Company stock and resolved to trade among themselves in order to avoid the need for a journey to the City.⁴⁴

These examples should not be taken as evidence of separately functioning regional markets. A close examination of the Bank of England's transfer books shows that 66 per cent of buyers and 76 per cent of sellers who resided outside of the City transacted with a counterparty who gave an address within the City.⁴⁵ It is also possible that where a transaction involved both a buyer and a seller who were resident outside the City contact was still made within the environs of Exchange Alley. Notably, only around eleven per cent of buyers and sellers living in Westminster traded with a counterparty who was also resident in that part of London.⁴⁶ Smaller populations of investors made finding a suitable counterparty even more difficult. Thus, among investors living in the north of England, only one transaction was conducted between parties living in the same area. In November 1701 Jane Hussey, a spinster of Caythorp in Lincolnshire sold £100 Bank stock to Anne Hussey, also a spinster and probably Jane's sister.⁴⁷ Yet, despite the understandable difficulties that the provincial investor would have faced in finding someone to trade with in his or her immediate locality, it is clear that the City did not command a monopoly of the trade in joint-stocks or government debt.

Noise and confusion

Those who traded away from Exchange Alley sacrificed the price advantage that a larger market with a greater number of actors would have offered. In part investors were prepared to

⁴⁴ In order to facilitate the exchange of stock, a transfer document was drawn up by the two parties, independently witnessed, and sent to the EIC. The Company then pasted the document into the transfer book.

⁴⁵ Bank Archives, AC28/32233, AC28/1513-1522.

⁴⁶ Ibid.

⁴⁷ Bank Archives, AC28/1519, 3 Nov. 1701.

make that sacrifice because of a lack of trust in financial information and an understandable inability to comprehend price movements. Their wariness was intensified by the nature of the market. When brokers and stock-jobbers met, the result was noise and confusion. The financial market encouraged ‘uninterrupted, simultaneous, overlapping, rude, quick talk’,⁴⁸ which made the information conveyed difficult to follow and assimilate. Contemporary plays sometimes depicted the antics of stock-jobbers and can give some idea of the way that information was presented to early modern investors. The following is from a scene set in Jonathan’s coffee house during the South Sea Bubble:

5th Brok: Hoop Petticoat, Bubble –
2d Brok: Your Price for Hoop Petticoat?
5th Brok: Forty per Cent.
2d Brok: I’ll give it, let me have all it covers.
5th Brok: You shall have it Sir, to a Hair –
6th Brok: Flying Ships – who Buys?
Sev Brok: We all Buy – how d’ye Sell?
6th Brok: One Hundred Per Cent.
Sev. Brok: There’s Earnest.
New Cryers run a-cross the end of the room in great haste, tumbling over one another.
1st News Cr: News from France, Spain, and Italy.
2d News Cr: Great News from Rome – An Account of the Deaths and last Wills and Testament of the Pope, and all his Cardinals.
3d News Cr: Great News! – Good News from the North! – The Czar of Muscovy a Dying at his Capital of Petersburg.
(The Stock-Jobbers buy and talk merrily together.)⁴⁹

Although the market was often quiet, allowing negotiations to be conducted at a relaxed pace, at times when unexpected news broke prices would have changed quickly. On such occasions and within a scattered market it would have been extremely difficult for the inexperienced investor to keep track of price movements.

⁴⁸ A. Preda, ‘In the Enchanted Grove: Financial Conversations and the Marketplace in England and France in the 18th Century’, *Journal of Historical Sociology*, 14 (2001), p. 285.

⁴⁹ T. Bickerton, *Exchange Alley: Or, the Stock-Jobber turn’d Gentleman: with the Humours of Our Modern Projectors* (London, 1720), pp. 23-26 quoted in *ibid.*, p. 292. See also S. Centlivre, *A Bold Stroke for a Wife* (London: Edward Arnold, 1969), pp. 54-58.

The language of the market added to the sense of bewilderment. The language used by brokers and stock-jobbers was new and complex. They used nicknames to describe stocks and shorthand forms to describe activities. One historian speculates that such language must have sounded like ‘baffling incantations chanted by a strange new sect practising its mysterious rites...’.⁵⁰ For Defoe the language of the market was not just baffling, it was designed to perpetuate fraud against the ordinary citizen, to ‘*Fiddle them out of their Money, by the strange and unheard of Engines of Interests, Discounts, Transfers, Tallies, Debentures, Shares, Projects, and the Devil and all of Figures and hard Names*’.⁵¹ Before investors could engage fully in the process of gathering information, therefore, they had to master the complexities of the language of the market and learn to keep pace with the rapid changes that occurred. It should, however, be understood that for the speculator the sounds of the market could have been very revealing. Excited babble, angry shouting, and hushed conversations all hinted at deals to be done or secrets to be kept. For any individual coming to the market regularly the first thing to do would have been to listen to its sounds.

Investors who did learn to understand the workings of the market faced numerous other obstacles in their search for reliable information. Information about the general state of the English economy could not easily be found. Certainly, the late seventeenth century was a time of increasing interest in the gathering of information about the economy. The constraints of war particularly encouraged the gathering of economic data with a view to increasing the efficiency of tax assessment and collection. Nevertheless, according to Brewer, the new science of political arithmetic promised more than it delivered. The work of political arithmeticians lacked rigour and discrimination. Their findings were often inaccurate and

⁵⁰ W. A. Speck, ‘Conflict in Society’ in Holmes (ed.), *Britain after the Glorious Revolution*, p. 136.

⁵¹ Defoe, *Villainy of Stock-Jobbers*, p. 22.

consequently provided little that could have been used by investors seeking a broad view of the economy.⁵²

The quality of information produced by joint-stock companies was similarly questionable. There was a culture of secrecy within some companies. The East India Company was notable in this regard. At times when the Company was experiencing difficulties or was in the process of complex negotiations, it insisted that its directors keep the details of their meetings secret. In February 1690, for example, after ‘long and serious Debates’ regarding the sending of an ambassador to sue for peace in India and the petitioning of Parliament for the renewal of the Company’s charter, it was ‘Resolved that this dayes Debate be kept secret’.⁵³ But there are indications that such practices were both long-standing and common among joint-stock companies. The Hudson’s Bay Company concealed evidence of private sales of furs and swore its Committee and General Court to secrecy over the matter.⁵⁴ Willan’s study of the Russia Company also found evidence of concealment of relevant facts. In 1597 Robert Dove, one of the oldest members of the Company wrote to Lord Burghley ‘when Mr Merrick our agent in Russia hath to certify of any matter that he thinks not meet to be written to the Company generally, he writes the same privately to me to emparte with such of them as I think best’.⁵⁵ Such secrecy would have been considered at the time to be perfectly legitimate. Indeed, for the Russia Company the combination of commerce and diplomacy made secrecy essential. Similarly, during the 1690s the East India Company’s reticence stemmed from a desire not to give further ammunition to those who sought to

⁵² Brewer, *Sinews of Power*, p. 224. For somewhat more sympathetic views of the work of political arithmeticians see P. Buck, ‘People who counted: political arithmetic in the eighteenth century’, *Isis*, 73 (1982), pp. 28-45 and J. Hoppit, ‘Political arithmetic in eighteenth century England’, *Economic History Review*, XLIX (1996), pp. 516-540.

⁵³ IOR, B/39, 10 Feb. 1690.

⁵⁴ Parkinson, ‘London Stock Market’, p. 148. Secrecy was necessary because private sales had been outlawed by the charter renewal of 1690.

⁵⁵ Willan, *Early History of the Russia Company*, p. 23.

remove its monopoly. Nevertheless, the concealment of pertinent facts did not facilitate the decision-making processes of those who held stock or planned to purchase it in the future.

Even when companies did publish pertinent information it was not necessarily to be relied upon. Errors in financial planning were unavoidable given the facilities and knowledge available to early modern company directors.⁵⁶ Companies commonly overstretched their resources, failed to make adequate provision for unforeseen circumstances and over-estimated their potential revenues. Overseas trading companies faced a myriad of problems when seeking information from foreign outposts. With reference to the East India Company, Chaudhuri noted that natural disasters and unforeseen circumstances could extend the 16 month period taken for ships to complete the round trip from London to Asia. Also badly worded or poorly structured letters hampered understanding, particularly those that made obscure references: ‘as if because they know these things, it necessarily follows that we must also’. Moreover, when information was received, the sheer volume made analysis and timely action difficult.⁵⁷ All these factors would have made it impossible to provide a reasoned analysis of future profitability.

Nor was there much agreement about how assets should be valued. Hence in 1696 when the East India Company presented a valuation of its net assets to the House of Lords, its calculations were challenged on almost every point. The Company’s valuation of £1,224,502 was adjusted by the Lords to a mere £217,721.⁵⁸ Contemporary commentators seemed to agree with the lower estimate. One suggested that the East India Company’s stock ‘in India, upon the Sea, and at Home, is of no real Value, and hardly sufficient to pay their Debts’.⁵⁹ Ned Ward asserted that ‘Were a schedule of their effects scored on one side and their Indian debts

⁵⁶ Scott, *Constitution and Finance*, I, p. 353.

⁵⁷ Chaudhuri, *Trading World of Asia*, pp. 74-77.

⁵⁸ Scott, *Constitution and Finance*, II, p. 163.

⁵⁹ Anon., *Letter from a Lawyer*, p. 7.

scored on the other, it is believed more bad debts would arise upon the reverse than are due to tradesmen from all the persons of quality in town...'.⁶⁰

As a result of such problems, few potential investors would have regarded the value of a company's assets as a key determinant of stock price. Indeed, in 1681 Sir Josiah Child complained:

...when we tell gentlemen, or others, they may buy [East India Company] stock, and come into the Company when they please: they presently reply, they know that, but then they must also pay 280 *l.* for 100 *l.* And when we say the intrinsic value is worth so much; which is as true as 2 and 2 makes 4, yet it is not so soon demonstrated to their apprehensions, notwithstanding it is no hard task to make out...⁶¹

As a further example, in January 1695 the Royal African Company stated to its shareholders that the stock of the Company and its profits amounted to £248,099 11*s.* 1*d.* thus indicating, by the Company's own calculation, that the stock should have been valued at around £40.⁶² At that time Royal African Company stock was actually trading at a price of £24 and it continued its slow decline thereafter, suggesting that investors took little notice of information that contradicted their long-term view of a company's potential.⁶³

Some commentators were puzzled by the gap between market prices and estimated intrinsic value. Daniel Defoe commented that East India Company stock had been:

sold from 300 *l.* per cent. to 37 *l.* per cent. from thence with fluxes and refluxes, as frequent as the tides, it has been up at 150 *l.* per cent. again; during all which differences, it would puzzle a very good artist to prove, that their real stock (if they have any) set loss and gain together, can have varied above 10 per cent. upon the whole.⁶⁴

But those closer to the market were more insightful about the reasons for such price fluctuations. In 1691 one pamphleteer listed the fundamental factors that should have depressed the price of the stock in the main trading companies. He noted that the East India,

⁶⁰ E. Ward, *The London Spy*, edited by P. Hyland (Michigan: Colleagues Press, 1993), p. 21.

⁶¹ J. Child, *A Treatise Concerning the East-India Trade* (London, 1681), p. 11.

⁶² NA, PRO T70/101, 8 Jan. 1695.

⁶³ Houghton, *Collection for Improvement*, passim.

⁶⁴ Defoe, *Villainy of Stock-Jobbers*, p. 5.

Royal African and Hudson's Bay Companies were suffering as a result of 'war with private traders, ...greater risks, higher freight and new duties, [and]...taxes, etc.' but asserted that it was not those factors that governed prices, rather 'they rise and fall as the humours of the buyers increase or abate...'.⁶⁵ John Houghton too argued that stock prices very often reacted 'according to hopes or fears' suggesting that early modern investors had a very keen awareness that market psychology was an important consideration when making investment decisions.⁶⁶

Market psychology was also used by those who preyed upon the hopes and fears of investors by spreading false information. This was a considerable problem since the financial market of the late seventeenth century encompassed no authority to regulate the dissemination of data. As such, those who spread misinformation went unpunished and deliberate attempts to deceive investors were frequent. The most famous incident of this period concerned the siege of the town of Mons. During early 1691 the town of Mons was besieged by Louis XIV's armies. It fell to the French on 29 March 1691, but on 31 March a man dressed as a Dutch officer rode through London crying out that William III had relieved the town. It was alleged that this was a deliberate deception to allow those who had gambled on the relief of the town to call in their 'winnings' before the real outcome of the siege was made known.⁶⁷ Nor was this the only incidence of such manipulation. Defoe alleged that 'Stock-Jobbing Brokers' could govern the number of buyers and sellers active in the market and make the prices of stock 'dance attendance on their designs, and rise and fall as they please, without any regard to the Intrinsick worth of the Stock'.⁶⁸

⁶⁵ Anon., *Plain Dealing*, p. 3.

⁶⁶ Houghton, *Collection for Improvement*, passim. Houghton's analysis of the factors that affected asset prices has been confirmed by modern psychologists who have concluded that the emotions that determine risk-taking are indeed hope and fear. Shefrin, *Beyond Greed and Fear*, p. 3.

⁶⁷ J. Childs, 'Fortunes of War', *History Today*, Volume 53 (2003), pp. 51-55.

⁶⁸ Defoe, *Villainy of Stock-Jobbers*, p. 5.

Such incidents ensured that the information provided by brokers and stock-jobbers was widely distrusted, yet investors were also forced to question the veracity of official information. A relevant example is offered by Israel who cites a letter written by an Englishman in Amsterdam to a fellow countryman who was a member of the international diplomatic community at The Hague. He wrote,

There are here some Actionists in the [Dutch] East India Company who, knowing of the honour I have to be known to your Excellency these many years, doe by me propose a handsome gratification if you think fitt to give them the first and best intelligence of things so farre as they may be usefull to give an influence to their way of trade : this I presume to propose daring to think that, as Your Honour would not expose the mysteries and main secrets of the state, so, on the other side, I am bold to thinke that such a correspondency prudently and cunningly managed in this city would be able to doe the King [of England] a great deale of service by making these men to hazard their stocks and ruine themselves....⁶⁹

It is not easy to find evidence of such deliberate official misinformation, but there are suggestions that the practice existed. Samuel Jeake wrote in May 1699 of a report of the King of Spain's death that was 'not much credited as coming from the French Ambassador'.⁷⁰ In a letter to John Ellis dated 14 August 1688 it was noted that,

Last week arrived from the East Indies one Dr. St. Johns, who has been there for some years as Judge of the Admiralty for the East India Company. He is said to give an account of affairs in those parts, that is quite different from what was published in the Gazette, and not at all comfortable for the nation, at least for those concerned in the same bottom with the Company.⁷¹

Trust in official sources of information was, therefore, likely to have been very limited.

Thus, early modern investors faced many barriers that would have prevented them gaining full information about the prospects for any stock or debt product. Information circulated in an extended market, lines of communication remained slow and news from both official and unofficial sources was subject to manipulation. Furthermore, the presentation of information during this period was problematic. The new language of the market was complex, making it difficult for inexperienced investors to understand the choices offered to

⁶⁹ Quoted in Israel 'Amsterdam Stock Exchange', pp. 415-6.

⁷⁰ 'Samuel Jeake to Elizabeth Jeake', May 1699, ESRO, Jeake Papers, FRE 5331.

⁷¹ Ellis, *Ellis Correspondence*, II, p. 119.

them. Problems in assimilating information would have been compounded by the fact that the data available to investors could not have encompassed all pertinent information. Few joint-stock companies could have made precise predictions about future profits, accounts were seldom made public and the uncertain nature of the political and economic situation in the 1690s made it impossible to make accurate business projections.

Creating networks of information

The need to overcome these barriers ensured that few active investors would have been able to remain passive recipients of news.⁷² Indeed, the difficulties of accessing and verifying information led some individuals to create their own networks of information. Sir Henry Furnese seems to have been particularly adept in this respect, ‘establishing a kind of Reuter’s service on a private scale’.⁷³ Josiah and Francis Child instituted similar measures. Most notably, they apparently established a private express service from the south of Ireland that gave them early news about the arrival of East India Company ships.⁷⁴ Creating networks of this kind naturally required a significant amount of money and influence. However, the above-mentioned individuals had a formidable reputation in the financial market suggesting that their efforts were worthwhile.⁷⁵

Other investors operated in a more limited sphere, but dedicated comparable resources to the search for information. For example, John Verney began his working day ‘at the Exchange at eight o’clock precisely, and thence...to two or three merchants’ houses, and

⁷² Israel ‘Amsterdam Stock Exchange’, p. 414.

⁷³ Duguid C., *The Story of the Stock Exchange* (London, 1901), p. 36.

⁷⁴ Scott, *Constitution and Finance*, I, p. 358.

⁷⁵ Even in 1719 Defoe referred to Sir Josiah Child as the ‘Original of Stock-Jobbing’ and suggested that ‘every Man’s Eye when he came to Market, was upon the Brokers, who acted for Sir *Josiah*; [asking the question] Does Sir *Josiah* Sell or Buy?’ Defoe, *Anatomy of Exchange Alley*, p. 14.

before ten I must be at [the] custom-house to attend the Commissioners'.⁷⁶ Along the route of Verney's daily walk were the premises of the Royal African Company and East India House. Verney also visited Lombard Street, where goldsmiths and scriveners had their businesses, Exchange Alley and Jonathan's and Garraway's coffee houses, and frequently wandered along Cheapside, with its many retail outlets, to the book sellers in St Paul's Churchyard. Verney's walks were not aimless meanderings. He worked hard to obtain relevant data and clearly studied that data. Whyman particularly notes that he kept coded lists of ships, captains and cargoes.⁷⁷ On the other hand his walks were not just taken for the purpose of finding news relevant to his business; they also had a social purpose. Like most merchants of the time Verney relied heavily on social networks of information and his friendships could also influence his investment decisions. His friendship with Sir Gabriel Roberts, for example, brought him new opportunities for profit and Verney clearly followed Roberts' lead when selecting investment strategies.⁷⁸ Verney's networks of information also extended outwards as he communicated the news that he gathered to his own family and friends.

As Samuel Jeake's preparations for the purchase of East India stock in 1694 suggest, provincial investors faced different costs. In order to keep himself informed about price movements and prospects for the stock, Jeake was forced to rely upon letters from his business associate and friend Thomas Miller. Miller's letters from London generally arrived in Rye two days after they were sent,⁷⁹ which meant that any information was already old news when it reached Jeake. When Jeake did finally decide to purchase stock, these postal delays proved detrimental to his profits. His letter, dated 28 July 1694, instructing Miller to buy East India stock at 70 arrived too late, and by the time Miller replied on 2 August the stock had already risen to 76; a further instruction to buy at 77 was no more successful, and it

⁷⁶ Quoted in Whyman, *Sociability and Power*, p. 73.

⁷⁷ Ibid.

⁷⁸ Ibid., pp. 71-72.

⁷⁹ Hunter and Gregory, *Astrological Diary*, passim.

was not until 10 September that Miller confirmed that the stock had been purchased at a price of 80, a full ten points higher than Jeake's original target.⁸⁰

During subsequent periods of investment activity Jeake took up residence in London, excusing his extended absence to his wife by writing, 'You know y^e greatest of our concerns are now here, if they were not I should not stay from you'.⁸¹ During his time in London Jeake established a number of contacts in the financial market. He attended the Bank of England's General Court on a number of occasions, met with brokers, and attended a meeting of the holders of Million Lottery tickets.⁸² Jeake also passed the information he gathered on to his wife and to other friends and relations in Rye, thus, creating his own networks of information.⁸³ However, while the establishment of these networks may have facilitated profitable trading in shares and debt, there were other costs to be considered. The necessity of leaving his wife Elizabeth to control business in Rye caused several problems. Money was lost when Elizabeth accepted the wrong price for guineas and on several occasions opportunities in Jeake's main business were lost through his absence from Rye.⁸⁴ Full information could, therefore, be costly for the early modern investor.

For those with less time to establish networks of information a broker could offer a dual service; firstly by imparting up-to-date information and advice and, secondly, by arranging contact with a suitable counterparty for each transaction. Thomas Mortimer, writing in 1761, asserted that this process could, and should, have been circumvented since it was easy for an investor to seek out his own counterparty,⁸⁵ but in the less liquid market of the 1690s this may not have been a simple process. Thomas Bowrey clearly found it necessary to use brokers to complete his transactions; his surviving papers include a number of brokerage receipts.

⁸⁰ Ibid., pp. 244-246.

⁸¹ ESRO, Jeake Papers, FRE 5318.

⁸² Ibid., FRE 5309; 5307; 5303; 5315.

⁸³ Ibid. passim.

⁸⁴ Ibid., FRE 5315; 5305.

⁸⁵ Mortimer T., *Every Man his own Broker: or A Guide to Exchange Alley* (London, 1761) pp. xi-xv.

Indeed, during 1695 Bowrey paid brokerage to seven different brokers, with the total cost of the seventeen trades conducted in that year being nearly £20.⁸⁶ The fact that Bowrey used a number of different brokers may suggest that these individuals were specialising in a particular stock or instrument, but in a developing market such diversity is more likely to be indicative of the difficulties of accessing information and the problems of finding other investors with whom to trade.

The clearest information about the activities of brokers during London's first stock market boom comes from Charles Blunt's surviving ledgers. Over a four year period, between January 1692 and August 1695 Blunt served as intermediary for 156 individuals in relation to just under 1,500 trades in the shares of 23 different companies. It is interesting to note that Blunt was acting almost solely as an intermediary. He appeared as the counterparty in only six of the trades listed in his ledgers. During 1692, his busiest year, Blunt acted as an intermediary for 105 clients. Some traded with Blunt only once, Sir Thomas Estcourt traded through Blunt 115 times, but most of Blunt's clients dealt through him sporadically.⁸⁷

This sporadic activity was, in great part, a result of the nature of the market. As will be seen in the following chapters, few participants traded actively and those who did were Blunt's fellow professionals. The cost of brokerage was also prohibitive. As a general rule, Thomas Bowrey paid five shillings for each £100 nominal stock traded, although the cost of more complex trades, such as time bargains or refusals, seems to have been variable.⁸⁸ Blunt charged 10s. per share, or per £100 nominal in Bank, East India, Royal African and Hudson's Bay Company stock on any type of transaction and thus, for some of his clients, his services

⁸⁶ GLL, MS 3041/5 ii fo. 4-17, 22, 24-26.

⁸⁷ NA, PRO C114/165.

⁸⁸ GLL MS 3041/5 ii, *passim*.

became quite costly.⁸⁹ In 1692 the average yearly brokerage bill among Blunt's clients was £14 17s.; Sir Thomas Estcourt paid £251 in that year.⁹⁰

The question of whether a broker's services were worth such a high cost is difficult to answer. It is evident that Blunt offered a good service to his clients since he was able to attract the business of some of the most prominent stock-jobbers of the period.⁹¹ He also acted as broker to both parties to the trade in around one-third of the transactions recorded in his ledgers, suggesting that he had very good contacts in the market and was not reliant on other brokers to supply counterparties for his clients. Moreover, Blunt did not offer discounted rates to his loyal customers, in spite of the fact that some of them accumulated large annual bills. Thus he was confident of his value to his clients and evidently did not fear that they would be lured away by cheaper competitors.

It should not be doubted that, for some, establishing a close relationship with a broker could pay dividends. Blunt's clients were offered just such a golden opportunity in February 1693 when he acted as broker in the initial offering of shares in 'Certain Lead Mines and Stocks vested in John Lethieullier Esq., and others', more popularly known as Estcourt's Lead Mine. The initial price of the shares was £10 in February 1693 but by mid-1694 the price was being quoted by Houghton at £150.⁹² Those who retained their stock realised a significant profit. It is also significant that of the twenty-two individuals listed in Blunt's ledgers as being among the initial subscribers to the mine, only four were not already regular clients.⁹³ Clearly, therefore, Blunt's loyal customers were offered first refusal of this lucrative opportunity.

Nevertheless, the relationship between client and broker is a complex one. The broker's loyalties are divided between the profit margins of his clients and his own desire to make money, and a broker bringing together two clients must run the risk of being accused of

⁸⁹ NA, PRO C114/165.

⁹⁰ Ibid.

⁹¹ See table 7.3 below.

⁹² NA, PRO C114/165; Houghton, *Collection for Improvement*,

⁹³ NA, PRO C114/165.

favouring one over the other, particularly when the outcome of a transaction is adverse. Illustrative of this dilemma is the fact that many of Blunt's clients who subscribed to Estcourt's Lead Mine were soon afterwards duped into selling options that gave away their rights to further participation in a rising market.

Given the uncertainties of dealing with brokers and the expense of paying brokerage, most investors would only have used a broker when a counterparty was not forthcoming by other means or when it was necessary to purchase information. Indeed, many of the deals recorded by Blunt were option trades, time bargains or loans backed by stock, indicating that the intermediation of a broker was found to be most useful in circumstances where the trade was complex or required negotiation.⁹⁴ It is also notable that East India Company stock and Bank stock featured barely at all in Blunt's ledgers. These much more actively traded stocks must have allowed most investors to make their own arrangements. An analysis of Blunt's profits in the period between 1692 and 1695 is also enlightening. During 1692 Blunt was paid £1,866 in brokerage, and in 1693 he received £2,329 but gross income dropped considerably in 1694 and 1695 when he was paid just £490 and £79 respectively.⁹⁵ Clearly, therefore, during the stock market boom of the early 1690s the broker was an invaluable resource but the advent of the more easily accessible public funds and the decline of the private joint-stock company must have resulted in the decline or failure of many brokerage businesses.

Most of those who dealt with Blunt were active investors but a broker might also have been useful to the passive investor for whom maintaining a presence in the City would have been costly and difficult. Blunt numbered several women among his clients, including Mary Crawley and Sarah Wind, both of whom traded very infrequently in Linen Company stock.⁹⁶ However, given the arcane language of the market and the general distrust of speculators and

⁹⁴ The majority of the option trades recorded in the Bank's archives were also conducted by a broker.

Bank Archives, AC27/383.

⁹⁵ NA, PRO C114/165.

⁹⁶ Ibid.

stock-jobbers, it may be suggested that the passive or inexperienced investor would have eschewed the advice of market professionals in favour of seeking the counsel of friends, relations or, perhaps, an acquaintance with a connection to the market. Partial confirmation of this may be found in the Bank of England's transfer books, which record many occasions on which family members traded together. On 19 December 1699, for example, Charles Killigrew and Colonel Robert Killigrew both sold £500 Bank of England stock.⁹⁷ In March 1700 Dame Jane Smith and her daughters Jane and Sarah, all of Isleworth in Middlesex, sold a total of £1,200 Bank stock between them.⁹⁸ Frances and Grace Barnham, both spinsters from Maidstone in Kent were among the original subscribers to the Bank of England and in March 1700 both made the decision to liquidate their holdings.⁹⁹ It would seem, in these cases, that the decision to buy and sell stock was a result of deliberation within the family.

Those acting as attorneys for individuals were often friends or relations, rather than professional brokers. Certainly professionals were instructed. Dame Mary Ashe placed her affairs in the hands of Joseph Wilson, a London goldsmith, and Dame Rebecca Atkins used the services of Phesaunt Crisp, a broker. However, Alice Spencer, a spinster resident in Hertfordshire appointed her brother John as attorney; he acted for Alice on many occasions. Captain Henry Robinson, Commander of His Majesty's ship *Hampton Court*, put power of attorney in the hands of his wife, as did Peter Causton, a minor stock-jobber.¹⁰⁰ Samuel Jeake on extended visits to London in 1697 and 1699 acted for his mother-in-law and for other business associates and acquaintances in Rye and, in turn, regularly placed his own affairs in the hands of his 'loving friend' Thomas Miller.¹⁰¹

Whether networks of information were created through market professionals or friends and family there was, due to the necessity of finding someone to trust, a tendency to form

⁹⁷ Bank Archives, AC28/1517, 2 May 1699.

⁹⁸ Ibid., AC28/1516, 5 Mar. 1700.

⁹⁹ Bank Archives, M1/1; AC28/1513, 1 Mar. 1700.

¹⁰⁰ Bank Archives, AC28/1513, *passim*.

¹⁰¹ ESRO, Jeake Papers, FRE 5305, 5309, 5310, 5321; FRE 5253.

relationships with the providers of news. In some instances the very close connections developed in the financial market of the 1690s were an advantage for investors. Blunt's favoured clients were offered a golden opportunity that was unavailable to the investing public at large. However, the existence of such close social bonds within a market is also highly problematic. To ensure perfect competition, markets should be impersonal. Given the nature of the information that circulated in the early modern market and the frequent accusations of malfeasance made by contemporary commentators, it is reasonable to suggest that the social networks favoured at this time allowed, and even encouraged, the manipulation of share prices.

Summary

When creating networks of information three factors were important for the early modern investor: accessibility, trust and cost. Whilst it is certain that all were able to access the London market, the difficulties associated with travelling to London, the barriers raised by the complex language of the market and the general distrust of brokers and stock-jobbers would have meant that many investors preferred to gather market information from friends, relatives and trusted associates. For those who chose to engage with the market more actively, information proved costly in monetary terms, and as well as in terms of time and commitment. Full information was restricted to those willing and able to make a full-time commitment to the market or those, like Sir Henry Furnese, with the resources to create their own information networks. This created a two-tiered market in which 'insiders' commanded superior access to information and thus were perhaps in a position to manipulate the market to their own ends. 'Outsiders' had to be content with acting on older, less reliable information, which must have sometimes detrimentally affected their ability to take advantage of new opportunities and often restricted their investment choices.